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Chapter II

TRANSFER OF TECHNOLOGY, INCLUDING KNOW-HOW AND PATENTS
(Item 9(h) of the Conference Agenda)

1. At the outset of the discussion of this item the representative of the United Nations Department of Economic and Social Affairs made a statement on the activities of the Department carried out under the priority programme formulated by the United Nations Advisory Committee on the Application of Science and Technology to Development pursuant to Annex A.IV.26 to the Final Act of the first session of UNCTAD and relevant resolutions of the General Assembly. This programme highlighted the problems related to the terms and effectiveness of acquiring foreign technology, measures for reducing the costs of such transfers, means for expanding domestic research capacity, and the strengthening of the requisite international and national institutional structures.

2. There was general agreement on the importance to developing countries of acquiring suitable foreign technology under conditions acceptable to all parties concerned, including terms which would not unduly burden the balance of payments of recipient countries. It was also generally recognized that the transfer of technology should be complemented by a strengthening of related research and development activity in developing countries as a basis both for adapting foreign, and for promoting indigenous, technology.

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3. Representatives of developing countries expressed their serious concern at the growing technological gap between developed and developing countries. They pointed to the considerable volume of expenditure on research and development in the major industrial countries of the world, including expenditure on space research and defence which directly or indirectly gave a strong impetus to technical innovation. The implications of modern technology on the size of plant in developing countries and the need for its adaptation to conditions prevailing in these countries was also stressed. It was also suggested that in acquiring foreign technology developing countries should apply a restrictive and selective approach. Representatives of some developing countries pointed out that with the formation of multi-national corporations the transfer of technology tended to become a matter of internal company organization, which raised issues involving the national policies of developing countries.

4. Representatives of developed market economy countries pointed out that their governments had no direct control over arrangements between private enterprises in their countries and enterprises in developing countries, since these were so essentially commercial matters. However, they assisted their industrialists in various ways, such as by finding suitable partners in developing countries and providing technical assistance to the latter. They suggested that it was necessary to look not only at the direct balance of payments cost to developing countries of the transfer of technology (which, they maintained, was not always necessarily so high) but also at the wider benefits that would accrue. The representative of one developed market economy country suggested that, judging from his country's experience of industrialization, the problem was not only one of transferring technology on terms which took into account on the one hand the necessity to reward inventors and encourage expenditure on research and on the other hand the limited capacity of developing countries to pay for the technology they wished to acquire. It was equally important that developing countries should have the capacity to absorb new technology, which called for a cadre of well trained technicians and scientists. In his view, co-operation with the private sector in developed countries was essential, and adequate compensation had to be offered for their expenditure on research and development.

5. The representative of a socialist country of eastern Europe, while expressing his support of the Charter of Algiers with respect to technology, stressed the need for international action to reduce the obstacles to the transfer of technology to developing countries.

6. Representatives of a number of countries considered that the legislative and other procedures for transferring patented technology were unnecessarily cumbersome and based on antiquated laws which were often inappropriate to modern conditions of production. In this connexion several representatives noted the work of the United Nations and of the International Union for the Protection of Industrial Property (BIRPI) in seeking to improve the legislative framework in the industrial property field.

7. The proposal of the United Nations Advisory Committee on the Application of Science and Technology to Development that technology transfer centres should be established was generally welcomed. Representatives of some developing countries felt that since activities connected with science and technology were distributed among a number of United Nations bodies and other intergovernmental and non-governmental organisations, there was need for an intergovernmental body responsible for an overall consideration of the application of science and technology to development. One of these representatives considered that a special United Nations agency for technology should be established, possibly under the auspices of UNIDO, while the representative of another developing country thought that the subject could receive proper attention only if an international conference were convened. It was suggested by the representative of yet another developing country that an UNCTAD Study Group should be established to review the work of the different agencies and make concrete proposals for joint action within a specified period. Representatives of developed market economy countries doubted whether new institutional machinery was necessary, since at best it would serve only as a clearing house and in any case would encourage the duplication of activities. They also questioned the value of a special conference. One of these representatives stated that the results of the programme of pilot and other studies in progress in the United Nations Secretariat in response to General Assembly resolution 2091 (XX) should first be assessed before further action was contemplated.

8. The representative of UNESCO, speaking under rule 80 of the rules of procedure the Conference, gave an account of the activities of his organization in the dissem of scientific and educational documentation and the supply of equipment. He also emphasized the importance of training technical and scientific personnel. Under the same rule, the representative of the International Union for the Protection of Indus Property (BIRPI) outlined the technical assistance programme of his organization and referred specifically to the BIRPI model laws on patents and trade marks drawn up in response to paragraph 2 of the recommendation contained in Annex A.IV.26 to the Fina of the first Conference.

9. The representative of the International Chamber of Commerce, speaking under rul of the rules of procedure of the Conference and in connexion with the reference made multi-national corporations and the transfer of technology and know-how, stated that organization had commissioned a study of that question.

10. [At its meeting the Working Group].